AB "Civinity"

SEPARATE UNAUDITED FINANCIAL STATEMENTS
PREPARED ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS AS
ADOPTED BY THE EUROPEAN UNION FOR SIX MONTH PERIOD ENDED 30 JUNE 2023

CONTENTS

INFORMATION ABOUT THE COMPANY

Name of the Company	AB „Civinity“
Legal form	Public limited liability company
Company code	302247881
Registered office address	Naugarduko st. 98, 03160 Vilnius
Date of registration	13 November 2008
Registrar	State enterprise Centre of Registers
Profile of activities	Business and other management consultations
Company’s financial year	Calendar year
Chief Executive Officer	Virgeda Jackaitė

REPORT OF THE COMPANY FOR SIX MONTH PERIOD ENDED 30 JUNE 2023

1. Objective overview of the Company's financial position, performance and development, description of its exposure to key risks and contingencies

AB "Civinity" ("the Company") is a public limited liability company registered in the Republic of Lithuania on 13 November 2008. With effect from 13 March 2017, a private limited liability company Civinity was reorganised to a public limited liability company. The Company's name after the reorganisation is AB "Civinity". The address of its registered office is as follows: Naugarduko 98, LT 03160 Lithuania.

AB "Civinity" controls corporate group which are engaged in provision of facility management and integrated utility services in Baltics region and provides professional management, risk controls, investment planning and financial services for the Group companies Currently the Group companies operates in Lithuania, Latvia and United Kingdom (subsidiary of Civinity Engineering, UAB).
AB "Civinity" gets revenues from management consulting services, what is core of company business and from investment activities in form of dividends from controlled subsidiaries and interests from loans. Services to the group companies are provided base on transfer pricing documentation and approved principles.
The company assesses general risks relating to economical, political and social factors and therefore it is careful in choosing investments. Such factors as consumer price inflation, rising remuneration base and economic growth are considered as the most important ones for the company daily operations and investment decisions.

At 16 November 2021 Civinity, AB signed the shareholders agreement with company Sail Invest UAB and agree to merge residential companies Civinity namai UAB, Civinity namai Vilnius UAB, Servico UAB and part of Pastatų meistrai UAB under ownership of SPV-31 UAB, which already controls company Civinity Solutions UAB. The merger of the mentioned companies finished at 1 March 2022 and now SPV-31 UAB controls 100% shares of above mentioned companies.
Also as a part of this reorganisation, the new group company Civinity Meistrai UAB was established and will cover technical, cleaning and other services outside the Vilnius district.
At 24 December 2021 SPV-31 UAB signed shares purchase agreement with company AB Invalda and UAB Inservis (Lithuania) to acquire 100 % of shares UAB Priemiestis, UAB Jurita,
UAB Inservis" and SIA Inservis. The last company operates in Latvia. The transaction and take over was completed at 18 of May 2022. The major part of the transaction was financed by Luminor Bank granted EUR 4.900 thousands loan for a 5 years period.

SPV-31 UAB received loan from Luminor bank for Inservis group companies acquisition is guaranteed by its shareholders AB "Civinity" and Sail Invest UAB. AB "Civinity" secured amount is EUR 2.499 thousand and UAB "Sail Invest"- 2.401 thousand respectively. Security is valid until all obligations by SPV-31 UAB will be fully completed. Financial covenants are: SPV-31 UAB controlled entities consolidated DEBT/EBITDA ratio shall not be above 3.5, Equity to Assets ratio shall not be lower 0.3, DSCR ratio not lower then 1.2 and current liquidity shall be above 1.1. As at 30 June 2023 applicable covenants are : Equity to Assets ratio (0.37) and adjusted current liquidity ratio (1.14).

2.Analysis of the financial and non-financial performance, informa tion on environmental and personnel-related issues

Company's revenues for half year ending 30 June 2023 have decreased by EUR 541 thousand compared to half year ended 30 June 2022 and amounted to EUR 1.063 thousand (as of 30 June 2022: EUR 1.603 thousand). The key factor for the revenue decrease for the 6 months period in 2023 was lower dividends receivables from the subsidiaries (2023 1HY dividends revenues EUR 281 thousands, 2022 same period - EUR 660 thousand) and decrease of revenues from management and control services (2023 1 HY management services revenue were EUR 661 thousands, 2022 1 HY - EUR 857 thousand).

During 6 months period in 2023 all administrative expenses were related with main company activities and amounted to EUR 717 thousand (as of 2022 same period: EUR 1.138 thousand) and majority of expenses were directly related with consulting services and remuneration for company employees. The operating result as of 30 June 2023 was EUR 437 thousand and is less then as of 30 June 2022, when operating result was EUR 3.531 thousand, which was due to profit received from subsidiaries sold. In the 1st half year of 2023 Company's EBT was positive and amounted to EUR 4 thousand (as for 30 June 2022: EUR 3.166 thousand).

Civinity employees related expenses including remuneration and bonuses decreased by EUR 184 thousand during the 6 months period of the year 2023 in comparison with the same period in 2022 (2023: EUR 338 thousand, 47% all operating expenses; 2022 EUR 521 thousand or 42% from all administrative expenses). During the 1st half year of 2023 IT related expenses amounted to EUR 43 thousand, or EUR 80 thousand less than in 2022 1 HY when IT related expenses amounted to EUR 123 thousand. Consulting expenses amounted EUR 143 thousand in 2023 1 HY are mainly related with market analysis for potential new investments.

3. The Company's key management personnel

As at 30 June 2023, the Group's key management personnel included the following persons:
- Deividas Jacka, Chairman of the Board (since 22 January 2021) and chief business development officer (since 29 May 2023),
Deividas Jacka is the Chairman of the Board of AB "Civinity". He holds a Master's degree in business administration and executive MBA diploma.
- Virgeda Jackaitė, Member of the Board and chief executive officer (since 29 May 2023),
Virgeda Jackaitė is the Member of the Board of AB "Civinity". She holds a degree in accounting and finance from University of Birmingham. She is a CEO of the group companies Civinity LT UAB and Civinity Engineering UK and board member of the companies SPV 31 UAB, Civinity engineering UAB.
- Lina Banytė-Surplienė, independent Member of the Board (since 29 May 2023),
Lina Banytė-Surplienė is the Member of the Board of AB "Civinity". He holds a master's degree in international business and law.

4. Number and nominal value of the shares of the Company acquired and held by the Company or the Company companies and the percentage of authorised share capital they represent

The share capital of the Company is EUR 100 thousand as at 30 June 2023. It is divided into 100 ordinary shares with the nominal value of EUR 1 thousand. All shares of the Company are paid up. As of 30 June 2023 the Company neither acquired nor disposed any shares of the Company and on 30 June 2023 the Company held no shares of the Company.

The Company does not have any other classes of shares than ordinary shares mentioned below, there are no restrictions of share rights or special control rights for the shareholders settled in the Articles of Association of the Company. No convertible securities, exchangeable securities or securities with warrants are outstanding, likewise, there are no outstanding acquisition rights or undertakings to increase share capital.

As of 30 June 2023 the sole shareholder of the Company was SIA Nord Finn Assets (Latvia).

5. Information on branches and representative offices of the entity

The Company has no branches neither representative offices.

6. Significant events subsequent to the end of the current reporting period

In September, 2023 Companys' management has decided to issue new public bond emission in amount 8.000 thousand EUR, which will be used to refinance the previous bond emission expiring on 15 October, 2023. On 14 September 2023 the Company has signed the agreement with AB Šiaulių bankas for distribution of this new bond emission.

7. The Company's operation plans and prospects

In 2023, the Company's management plan to operate consistently in view of improving its productivity, business process efficiency and optimizing business processes. A special focus will be on research and development property management solutions to improve customers service.

In 2022 the Company started developing its sustainability (ESG) strategy. As part of the strategy creation process the Company conducted a thorough materiality analysis and identified key sustainability topics that represent the Company's largest impacts and are the most important to all stakeholder groups. As a result, the Company identified 12 sustainability focus areas: Efficient energy use, Carbon footprint, Good working conditions & well-being, Training & development opportunities, Health & safety, Fair remuneration, Involving and empowering employees, Employee retention & recruitment, Service efficiency, Competitive advantage, Compliance & anti-corruption, Data protection. The Company will continue to identify goals, KPI's, and an action plan for management of each material topic, and will announce the ESG strategy with its related policies during second half year of 2023.

Civinity and the Group keep the main focus on the multiapartment modernization (renovation) projects including availability to install and service solar plants and provide green energy solutions to our customers. Company also researching and investigating solutions to invest into EV charging solutions applicable to multiapartment house usage.

8. Financial risks of the Company

Company's issued 8 million EUR bonds bear fixed interest rate. The rest of company borrowings mostly comprise borrowings and finance lease liabilities bearing a variable interest rate linked with EURIBOR that expose the Company to the interest rate risk, but it is considered not significant one. As at 30 June 2023 and as at 31 December 2022, there were no financial instruments designated to control the risk of interest rate fluctuations.

The Company’s liquidity ratio (total current assets / total current liabilities) was approximately equal to 0.17 as at 30 June 2023 (31 December 2022: 0.21). The Company is the parent company controlling the Civinity group cash flows and approving the cash distribution within the group. Current liquidity ratio is highly impacted by payable Bonds (EUR 8 million), which mature on 15 October, 2023. The company intends to refinance this bond emission with the new EUR 8 million bond emission. As at 14 September, 2023 the Company has signed the agreement with AB Šiaulių bankas, which will be distributing the new bond emission.

Virgeda Jackaitė
Chief Executive Officer
20 September 2023

(All amounts are in the thousand of euros unless otherwise stated)

STATEMENT OF COMPREHENSIVE INCOME

	Note	30 June 2023	30 June 2022
Management service revenue		661	857
Dividend income		281	660
Interest income		121	86
Employee related expenses	5	(338)	(521)
IT service expenses		(43)	(123)
Depreciation and amortisation	7, 8, 9, 16	(242)	(219)
Consulting expenses		(143)	(142)
Legal expenses		(30)	(61)
Transportation related expenses		(19)	(45)
Utilities		119	(14)
Other operating expenses		(21)	(12)
Gain / (Loss) on disposal of Property, Plant and Equipment		15	28
Profit on disposal of subsidiaries	10	76	3,038
Operating profit		**437**	**3,531**
Interest expenses		(433)	(365)
Profit before income tax		**4**	**3,166**
Income tax expenses	6	-	-
Profit for the period		**4**	**3,166**
Other comprehensive income		-	-
Total comprehensive income for the period		**4**	**3,166**

The accompanying notes on pages from 10 to 23 form an integral part of these financial statements.
The financial statement were approved and signed by:

Chief Executive Officer	Virgeda Jackaitė	20 September 2023
Chief accountant	Vilma Marciukaitė	20 September 2023

(All amounts are in the thousand of euros unless otherwise stated)

STATEMENT OF FINANCIAL POSITION

	Note	At 30 June 2023	At 31 December 2022
ASSETS			
Non-current assets			
Intangible assets	7	411	491
Property, plant, and equipment	8	464	515
Right - of - use assets	9	158	186
Investments in subsidiaries	10	9,283	8,801
Loans granted to related parties	11	2,983	2,892
Other receivables	13	273	428
Total non-current assets		13,572	13,313
Current assets			
Trade and other receivables	13	1,369	1,262
Loans granted to related parties		269	697
Cash and cash equivalents	14	25	66
Total current assets		1,663	2,025
TOTAL ASSETS		15,235	15,338
EQUITY			
Share capital	15	100	100
Retained earnings		(874)	(878)
Total equity		(774)	(778)
LIABILITIES			
Non-current liabilities			
Borrowings	16	5,950	5,961
Lease liabilities	9	364	509
Other payables	17	30	44
Total non-current liabilities		6,343	6,514
Current liabilities			
Borrowings	16	8,730	8,544
Lease liabilities	9	223	209
Trade and other payables	17	713	849
Total current liabilities		9,666	9,602
Total liabilities		16,010	16,116
TOTAL EQUITY AND LIABILITIES		15,235	15,338

The accompanying notes on pages from 10 to 23 form an integral part of these financial statements.

Chief Executive Officer	Virgeda Jackaitė	20 September 2023
Chief accountant	Vilma Marciukaitė	20 September 2023

(All amounts are in the thousand of euros unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY

	Note	Share capital	Retained earnings	Total equity
Equity as at 1 January 2022		100	(2,144)	(2,044)
Profit for the period			1,266	1,266
Total comprehensive income for the period			1,266	1,266
Equity as at 31 December 2022		100	(878)	(778)
Profit for the period			4	4
Total comprehensive income for the period		-	4	4
Equity as at 30 June 2023	15	100	(874)	(774)

The accompanying notes on pages from 10 to 23 form an integral part of these financial statements.

Chief Executive Officer	Virgeda Jackaitė	20 September 2023
Chief accountant	Vilma Marciukaitė	20 September 2023

(All amounts are in the thousand of euros unless otherwise stated)

STATEMENT OF CASH FLOWS

	Note	At 30 June 2023	At 30 June 2022
Cash flows from operating activities			
Profit (loss) before income tax		**4**	**3,166**
Adjustments for:			
Depreciation and amortisation	7, 8, 9, 16	242	219
Impairment (reversal) of receivables		-	0
Interest expenses		433	365
Interest income		(121)	(86)
Loss on disposal of property, plant and equipment		-	(28)
Profit on disposal of subsidiaries		(76)	(3,038)
Impairment of subsidiaries	10	-	
Dividends		(281)	(660)
Changes in working capital			
(Increase) decrease in trade and other receivables	12	83	(708)
Increase (decrease) in trade and other payables	17	(150)	178
Cash generated from operations		**134**	**(591)**
Interest received		8	-
Interest paid		(199)	(199)
Net cash flows generated from operating activities		**(57)**	**(790)**
Cash flows from investing activities			
Purchase of intangible assets	7	-	(4)
Purchase of property, plant and equipment	8	(6)	(222)
Sale of property, plant and equipment	8	-	38
Loans granted	11	(540)	(672)
Loan repayments received	11	448	424
Dividends received		281	750
Net cash flow generated from (used in) investing activities		**183**	**315**
Cash flows from financing activities			
Issues of the bonds	16	-	
Borrowings received		387	665
Repayments of borrowings	16	(507)	(199)
Lease payments		(47)	(15)
Net cash flows generated from (used in) financing activities		**(167)**	**451**
Net increase (decrease) in cash flows		**(41)**	**(25)**
Cash and cash equivalents at the beginning of the period		**66**	**38**
Cash and cash equivalents at end of the period		**25**	**13**

The accompanying notes on pages from 10 to 23 form an integral part of these financial statements.

Chief Executive Officer	Virgeda Jackaitė	20 September 2023
Chief accountant	Vilma Marciukaitė	20 September 2023

(All amounts are in the thousand of euros unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1.Information about the Company

Civinity, AB (referred to as the Company, registration code 302247881) is a public limited liability company registered in the Republic of Lithuania. It was established on 13 November 2008. The Company's registered office and head office address is Naugarduko g. 98, Vilnius, Lithuania. The principal activity of the Company is to provide management related services to its subsidiaries and holding activities. From 29 May 2023, the Company's chief executive officer is Virgeda Jackaitė.
From 30 March 2020 the sole shareholder and ultimate shareholder of the Company is Nord Fin Asset, SIA (registration number 44103136863, address: Dubultu prospekts 3, Jurmala, Latvia). Nord Fin Asset, SIA acquired 100% of shares of the Company from previous shareholder Civinity OU. The sole ultimate beneficiary holding a 100% ownership interest of Nord Fin Asset, SIA is Deividas Jacka.
The Company's board consists of:

- Deividas Jacka, Board Member (from 10 August 2018 until 10 April 2020 and since 23 December 2020), Chairman of Board (since 22 January 2021);
- Virgeda Jackaitė, Board Member (since 29 May 2023);
- Lina Surplytė-Banienė, Board Member (since 29 May 2023).

As at 30 June 2023 and as at 31 December 2022, the Company's authorised share capital consisted of 100 ordinary registered shares with par value of EUR 1 thousand each. All the shares of the Company have been fully paid up. The subsidiaries do not hold the Company's shares. The Company's shares are not publicly traded.

As at 30 June 2023, the Company had 10 employees (31 December 2022: 9 employees).

Along with these separate financial statements, the management of the Company have prepared the set of consolidated financial statements combining the balances and the financial results of the Company and its' controlling entities (the Group). The consolidated financial statements of the Group were issued and approved by the Management and are available at the Company's registered office address.

Company's direct and indirect investments into subsidiaries:

Name of subsidiary	Address	Date of acquisition or establishment	Ownership % 30 June 2023	Ownership % 31 December 2022	Activity
UAB Civinity namai Kaunas	Chemijos 15, Kaunas, Lithuania	2013.02.28	100%	100%	Facility management services
UAB Civinity namai Vakarai	Danės 5-41, Klaipėda, Lithuania	2014.07.11	81.72%	81.72%	Facility management services
UAB Civinity meistrai	Naugarduko 98 Vilnius, Lithuania	2022.02.25	100%	100%	Construction and repair services
UAB Civinity namai Vilnius [3]	Naugarduko 98 Vilnius, Lithuania	2016.02.11	51%	51%	Facility management services
UAB Pastatų meistrai [3]	Naugarduko 98 Vilnius, Lithuania	2016.04.26	51%	51%	Construction and repair services
UAB Civinity namai [3]	Naugarduko 98 Vilnius, Lithuania	2010.06.17	51%	51%	Facility management services
UAB Debreceno NT [5]	Taikos pr. 101D, Klaipėda, Lithuania	2021.04.21	95.44%	95.44%	Real estate administration
UAB Civinity renovacija	Naugarduko 98 Vilnius, Lithuania	2010.01.12	100%	100%	Construction and repair services
UAB Civinity namai Palanga	Virbališkės 3F-1, Palanga, Lithuania	2021.12.15	99.44%	99.44%	Facility management services
UAB Civinity namai Klaipėda	Danės 5-41, Klaipėda, Lithuania	2005.09.01	100%	100%	Facility management services
UAB Smart technologies	Naugarduko 98 Vilnius, Lithuania	2018.08.29	100%	100%	IT services
UAB Civinity MD	Naugarduko 98 Vilnius, Lithuania	2021.12.28	100%	100%	Projects management
UAB Civinity LT	Naugarduko 98 Vilnius, Lithuania	2017.12.06	100%	100%	Services center
UAB City Billing Solutions	Naugarduko 98 Vilnius, Lithuania	2021.08.13	100%	100%	Accounting services
SIA SPV-4	Dēļu iela 5, Rīga, Latvia	2017.01.11	100%	100%	Holding company
SIA Pilsetas Lifti	Dēļu iela 5, Rīga, Latvia	2019.01.09	---	100%	Construction and repair services
SIA Civinity engineering LV	Dēļu iela 5, Rīga, Latvia	2019.12.16	100%	100%	Construction and repair services
SIA Civinity solutions	Dēļu iela 5, Rīga, Latvia	2016.09.21	100%	100%	Commercial sector facility management services
SIA Civinity LV	Dēļu iela 5, Rīga, Latvia	2017.04.04	100%	100%	Services center
SIA City billing solutions	Dēļu iela 5, Rīga, Latvia	2021.12.01	100%	100%	Accounting services
AS Civinity majas [4]	Dēļu iela 5, Rīga, Latvia	2016.07.28	100%	100%	Facility management services
UAB SPV 32	A. Goštauto 40B, Vilnius, Lithuania	2018.01.29	51%	51%	Holding company
UAB SPV 31	Šv. Stepono 7, Vilnius, Lithuania	2018.01.29	51%	51%	Holding company
SIA Civinity Majas Jūrmala [1]	Dubultu prospekts 3, Jūrmala, Latvia	2014.12.29	100%	100%	Facility management services
SIA CS Renovacija [2]	Dubultu prospekts 3, Jūrmala, Latvia	2017.02.07	100%	100%	Construction and repair services
Civinity Group Latvija PS [9]	Dēļu iela 5, Rīga, Latvia	2021.07.27	100%	100%	Commercial sector facility management services
UAB Civinity Solution [3]	Naugarduko 98 Vilnius, Lithuania	2018.07.01	51%	51%	Commercial sector facility management services
UAB Civinity Engineering [4]	Naugarduko 98 Vilnius, Lithuania	2018.07.01	51%	51%	Commercial sector facility management services
LTD Civinity Engineering UK [4]	United Kingdom	2020.12.15	51%	51%	
UAB Servico [6]	Naugarduko 98 Vilnius, Lithuania	2022.03.01	51%	51%	Facility management services
UAB Inservis [7]	Naugarduko 98 Vilnius, Lithuania	2022.05.18	51%	51%	Facility management services
UAB Jurita [7]	Naugarduko 98 Vilnius, Lithuania	2022.05.18	51%	51%	Facility management services
UAB Priemiestis [7]	Naugarduko 98 Vilnius, Lithuania	2022.05.18	51%	51%	Facility management services
SIA Inservis [7]	Smilšu iela, Rīga, Latvia	2022.05.18	51%	51%	Facility management services
UAB Valandinis [8]	Naugarduko 98 Vilnius, Lithuania	2023.01.01	51%	---	Platform for freelancerconstruction professionals

In February 2022 the Company after de-merger from Pastatų meistrai UAB established new company Civinity Meistrai UAB;
In February 2022 the Company established new company Civinity Meistrai UAB;
In March 2022 the Company sold subsidiaries Civinity Namai Vilnius UAB, Civinity Namai UAB, Pastatų meistrai UAB to the subsidiary SPV-31 UAB;
In March 2022 the Company increased authorised capital of the subsidiary SPV-31 UAB;
In March 2022 Company's subsidiary SPV-31 UAB bought company Servico UAB;
In May 2022 Company's subsidiary SPV-31 UAB bought companies Inservis UAB, Priemiestis UAB, Jurita UAB and Inservis SIA (Latvia);
In August 2022 Companies Kretingos būstas UAB, Debreecno valda UAB ir Būsto administravimas UAB after the reorganization process completed were merged to the company Civinity Namai Klaipėda UAB and terminated activity. Civinity Namai Klaipėda UAB became a direct investment of the Company;
In August 2022 Companies Labo Namu Agentura SIA and VBS Serviss SIA after the reorganization process completed were merged to the company Civinity Majas AS and terminated activity;
In August 2022 Company Home Master SIA after the reorganization was merged to the company Civinity Majas Jurmala SIA and terminated activity;
In December 2022 Company CS Apkope SIA changed its title and became Civinity Engineering SIA.
In January 2023 Company bought 51% shares of UAB "Valandinis"
In January 2023 sold 100% shares of Pilsetas lifti SIA

[1] - control via the subsidiary UAB Civinity namai Kaunas;
[2] - control via the indirect subsidiary SIA Civinity Majas Jūrmala;
[3] - control via subsidiary UAB SPV 31;
[4] - control via subsidiary UAB SPV 32, in 2020 Civinity Engineering UAB established company Civinity Engineering UK in United Kingdom;
[5] - control directly (72,54%) and via subsidiaries UAB Civinity namai (12,84%), UAB Kretingos būstas (10,04%), as at 31 December 2021; control directly (72,54%) and via subsidiaries UAB Civinity namai (12,84%), UAB Civinity namai Klaipėda (10,04%), as at 30 June 2023;
[6] - control via subsidiary UAB SPV-31 from March 2022;
[7] - control via subsidiary UAB SPV-31 from May 2022;
[8] - control directly 51%;
[9] - control indirectly via subsidiaries SIA Civinity Solutions (80%), SIA Civinity Engineering (20%)

On 16 December 2021 AB "Civinity" and Sail Invest UAB signed the SPV 31 UAB shareholders agreement which states increase of share capital in SPV 31 UAB. The authorized capital of the SPV31 UAB was increased to EUR 6.533 thousand on 18 March 2022, AB "Civinity" contribution to the authorised capital increase of SPV-31 UAB was EUR 3.330 thousand EUR. The consideration for SPV 31 UAB shares were paid by transferring of Civinity Namai UAB, Civinity Namai Vilnius UAB and Pastatų meistrai UAB (building maintenance and services, construction activities in Vilnius region) shares to SPV31 UAB. Sail Invest UAB, respectively brought in Servico UAB shares into SPV-31 UAB equity. In February 2022 AB "Civinity" capitalised the loan of Civinity Namai Vilnius UAB amounted to EUR 204 thousand into the increased authorised capital of Civinity Namai Vilnius UAB. As of 1 March 2022, SPV31 UAB becomes the sole shareholder of the Civinity Namai UAB, Civinity Namai Vilnius UAB, Servico UAB and Pastatų meistrai UAB (building maintenance and construction activities Vilnius) companies.

At 01 August 2022 Civinity Group companies in Klaipėda region completed reorganization and companies Kretingos būstas UAB and Debreceno valda UAB were joined to the subsidiary Civinity Namai Klaipėda UAB.
Continuing the process of reorganisation, at 02 August 2022 Civinity Group companies in Latvia SIA Home Master started operating under the name SIA Civinity Mājas Jūrmala, and SIA Labo Namu Agentura and SIA VBS Serviss will henceforth under the name AS Civinity Mājas.

In January 2023 AB "Civinity" finalized the procedures of the acquisition of Valandinis UAB majority stake of shares (51%) from UAB "Partly". The transaction details were initially stated in Information Document for the offering of bonds of AB "Civinity" from 30 September 2021 and public announcement in Nasdaq system from 04 October 2022. Transaction value amounted to EUR 543 thousand.

On 26 January 2023 AB "Civinity" sold 100 percent stake of shares of Pilsetas Lifti SIA to Lithuania based company UAB "Profi Invest". This transaction is further clarification of group business model and business segments. Pilsetas Lifti SIA sales consideration amounts to EUR 137 thousand and profit from the sale of the subsidiary amounts to EUR 76 thousand.

1.2. War in Ukraine impact on the Company's activities

24 February 2022 started Russia federation started war In Ukraine did not have a significant impact on the Company's operations and results in reporting period. But the Company management assessing the potential impact of key war factors on the Company strategic goals, cash flows, financial results and continuously monitoring the quality of trade receivables, growth of energy resources prices and inflation growth.

(All amounts are in the thousand of euros unless otherwise stated)

2. BASIS OF PREPARATION AND SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the Company's financial statements are set out below.

2.1.Basis of preparation

These financial statements include the Company's financial statements for the half year ended 30 June 2023.

The presented financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by and effective in the European Union (the "EU"). Civinity Group consolidated financial statements for the year ended 30 June 2023 are prepared separately.

The financial statements have been prepared on a going concern basis and under the historical cost convention.

The Company's liquidity ratio (total current assets / total current liabilities) was approximately equal to 0.17 as at 30 June 2023 (31 December 2022: 0.21). The Company is the parent company controlling the Civinity group cash flows and approving the cash distribution within the group. Current liquidity ratio is highly impacted by payable Bonds (8 million eur), which mature on 15 October, 2023. The company intends to refinance this bond emission with the new 8 million bond emission. As at 14 September, 2023 the Company has signed the agreement with AB Šiaulių bankas, which will be distributing the new bond emission.

All amounts in the financial statements, including amounts disclosed in notes to the financial statements, are presented in the thousands euros (EUR) unless otherwise stated.
The Company's financial year starts as at 1st of January and ends as at 31st of December of the corresponding calendar year.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to make assumptions in the process of applying the Company's accounting policies. The areas involving important assumptions, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3 "Critical accounting estimates".

2.2. New and amended standards and their interpretations adopted by the Company

The new standards or their amendments applicable from 1 January 2023 had no significant impact on the Company's financial statements.

2.3.Investments in subsidiaries

Investments in subsidiaries are stated at costs less impairment, if any.

2.3. New and amended standards and their interpretations adopted by the Company

There are no other new or amended standards and interpretations that are not yet effective and that may have a material impact for the Company.

2.4.Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company financial statements are presented in Euro (EUR), which is the functional and presentation currency of the Company.

2.5.Intangible assets

Intangible assets, if they are acquired separately from the business (including computer software) are stated at cost, less subsequent accumulated amortisation and impairment losses. Cost includes the purchase price of intangible assets from a third party as well as costs for the development of intangible assets, if such assets are being developed. Amortisation is calculated on the straight-line method to allocate the cost of intangible asset over estimated benefit period as follows:

- Computer software, licences	3 years
- Trademark	10 years
- Other	3 years

Useful lives and amortisation methods of the intangible assets are reviewed, and adjusted if appropriate, at each reporting date. Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software programs are recognised as an expense as incurred.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or loss arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are included within 'Other gain / (loss) – net' in the statement of profit or loss.

Subsequent expenditure is recognised in profit or loss when incurred. Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

2.6.Property, plant, and equipment

Property, plant and equipment are stated at cost, less subsequent accumulated depreciation and impairment losses.

Cost includes all expenditure that is directly attributable to the acquisition of assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

When components of property, plant and equipment have different useful lives, they are accounted for as separate items (main components) of property, plant and equipment.
The depreciation of property, plant and equipment is started from the date on which they are ready for their intended use.
Land is not depreciated. Depreciation of other assets is calculated using the straight-line method over useful lives established as follows (in years):

- Vehicles	5-10 years
- Equipment	5 years

Depreciation methods, useful lives and residual values are reviewed each reporting period and adjusted, if it is required due to the nature of use of non-current assets.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year in which the asset is derecognised.

Construction in progress is stated at cost. Construction in progress comprises the cost of buildings, structures and facilities and other directly attributable costs, capitalised interest. Construction in progress is not depreciated for as long as the construction works have not been completed and assets have not been brought into use.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

2.7.Financial assets and liabilities

Under IFRS 9, Financial Instruments, the Company classifies its financial assets into the following 3 categories: financial asset at amortised cost, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss.

Subsequent to initial recognition, financial assets are classified into the afore-mentioned categories based on the business model the Company applies when managing its financial assets. The business model applied to the group of financial assets is determined at a level that reflects how all groups of financial assets are managed together to achieve a particular business objective of the Company. The intentions of the Company's management regarding individual items of instruments have no effect on the adopted business model. The Company may adopt more than one business model to manage its financial assets. The Company may adopt more than one business model to manage its financial assets.

The business model for managing of financial assets is based not merely on an assertion, but also on facts that are observable in the activities that the Company undertakes in order to achieve the objectives of the business model. In determining the business model applicable for managing financial assets, the Company makes its decision in view of not individual factors or activity, but in view of all evidence that is available in the course of the assessment.
The Company recognises a financial asset in its statement of financial position only when the Company becomes a party to the contractual provisions of the instrument. The purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting.
At initial recognition, the Company measures financial assets at fair value, except for trade receivables that do not have a significant financing component. Transaction costs comprise all charges and commission that the Company would not have paid if it had not entered into an agreement on the financial instrument.
If the fair value of the financial asset at initial recognition differs from the transaction price, the difference is recognised in profit or loss.
In view of the business model applied for managing the Company of financial assets, the accounting for financial assets is as follows:

Financial assets measured at amortised cost
Loans granted by the Company and amounts receivable are accounted for under the business model the purpose of which is to hold financial assets in order to collect contractual cash flows that can contain cash flows related to the payment of the principal amount and interest inflows.
Loans and amounts receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the date of the statement of financial position. These are classified as non-current assets.
Loans and receivables are initially recognised at cost (the fair value of consideration receivable) and subsequently carried at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when these assets are derecognised, impaired or amortised.

Financial assets at fair value through profit or loss
The Company measures financial assets, which are stated at fair value in subsequent periods, through profit or loss, using the business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
The Company does not have any financial assets held for trading and acquired for the purpose of selling in the near term and attributes to this category only financial assets arising from the disposal of business or investments classified as non-equity contingent consideration.

Effective interest method

The effective interest method is used in the calculation of the amortised cost of a financial asset and in the allocation of the interest revenue in profit or loss over the relevant period.
The effective interest rate is the rate that exactly discounts estimated future cash inflows through the expected life of the financial asset to the gross carrying amount of the financial asset that shows the amortised cost of the financial asset, before adjusting for any loss allowance. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. There is an assumption that the cash flows and the expected life of group of similar financial instruments can be estimated reliably. However, when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or Company of financial instruments), the Company uses the contractual cash flows over the full contractual term of the financial instrument (or Company of financial instruments).

Credit-impaired financial assets
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

a) significant financial difficulty of the borrower;
b) a breach of contract, such as a default or event that is past due for more than 90 days;
c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
e) the disappearance of an active market for that financial asset because of financial difficulties;
f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The combined effect of several events that may occur simultaneously or subsequently throughout the term of validity of the agreement on the financial assets may have caused financial assets to become credit-impaired.
The lifetime expected credit losses of loans receivable and trade receivables are recognised in profit or loss through the contra account of doubtful receivables.
The Company writes off the loans receivable and trade receivables when it loses the right to receive contractual cash flows from financial assets.

Derecognition of financial assets
The Company derecognises financial assets in case of the following:
- the rights to receive cash flows from the asset have expired;
- the Company has retained the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass through” arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset:

•if the Company has not retained control, it shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer;
•if the Company has retained control, it shall continue to recognise the financial asset to the extent of its continuing involvement in the financial asset.

Whether the Company has retained control of the transferred asset depends on the transferee's ability to sell the asset. If the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer, the Company has not retained control. In all other cases, the Company has retained control.

Financial liabilities
Liabilities are classified as financial liabilities at fair value through profit or loss, or other financial liabilities. The Company does not have any financial liabilities at fair value through profit or loss.

Other financial liabilities

Other financial liabilities, including borrowings, are recognised at fair value, less transaction costs.
In subsequent periods, other financial liabilities are measured at amortised cost using the effective interest rate method. Interest expenses are recognised using the effective interest rate method.
Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.
If a financing agreement concluded before the balance sheet date proves that the liability was non-current by its nature as of the date of the balance sheet, that financial liability is classified as non-current.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is settled, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability. The difference between the respective carrying amounts is recognised in the statement of comprehensive income.

2.8.Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on hand and short-term deposits with an original maturity of three months or less.

2.9.Non-financial assets

Non-financial assets are assessed for impairment when events and circumstances indicate that the value of assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the carrying amount of an asset exceeds its recoverable amount, impairment loss is accounted for in profit or loss. The previously recognised impairment loss is reversed when there are indications that recognised loss on impairment of an asset no longer exists or has reduced significantly. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Reversal is accounted for in profit or loss under the same item as impairment loss.

2.10.Provisions

Provisions are recognised when the Company has a legal obligation or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. At each date of the preparation of the statement of financial position the Company assesses the existing provisions and adjusts them in order to best reflect current estimates. If the effect of the time value of money is material, the amount of provision is discounted using the effective pre-tax discount rate set based on the interest rates for the period and taking into account specific risks associated with the provision as appropriate. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

2.11.Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.
The Company has issued only ordinary shares.
The Company is obliged to keep its shareholders' equity ratio not less than 50% of its authorised share capital, as imposed by the Law on Companies of Republic of Lithuania. No other external capital requirements have been imposed on the Company.

2.12.Leases

The Company recognises a right-of-use asset and a corresponding lease liability at the lease commencement date, i.e. at the date at which the leased assets are available for use by the Company. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the outstanding lease payments at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Company uses recent financing received under other contracts of financial liabilities.

Lease liabilities are subsequently measured using the effective interest rate method. The lease term is a non-cancellable period of lease; periods covered by options to extend and terminate the lease (if such options exist) are only included in the lease term if it is reasonably certain that the lease will be extended or not terminated.

The Company is a sub-lessor of the right-of-use assets. A lease is classified as a finance lease if it transfers substantially all the risks and rewards from the right-of-use asset, otherwise, it is classified as an operating lease. The Companie's subleases classified as operating leases. The lease income from operating leases is recognised on a straight-line basis over the lease term.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee (no residual value guarantees as at 30 June 2023), or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised (no extension options were accounted for the leases due to uncertainties as at 30 June 2023).

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability. No lease incentives, initial direct costs, restoration costs or other costs were recognised for the leased assets by the Company as at 31 December 2022 and as at 30 June 2023.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The leased term straight-line basis was applied for depreciation of the right-of-use assets leased by the Company as at 31 December 2022 and as at 30 June 2023.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in the statements of comprehensive income.

2.13.Revenue recognition

Management services revenue

Revenue comprises the fair value of the consideration received or receivable for the services in the ordinary course of the Company's activities. Revenue of the Company is shown net of value -added tax, returns, rebates and discounts, sales taxes. Revenue is measured based on the consideration specified in a contract with a customer. Revenue from contracts with customers is recognised when a performance obligation by transferring service to a customer is satisfied at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. Revenue from contracts with customers is recognized when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. More over the Company also are responsible for the quality of rendered services and are the owners of pricing.
Revenue from providing management services is recognised in the accounting period in which the services are rendered.

Interest income

Interest income is recognized on a time - proportion basis using the effective interest method to the gross carrying amount of a financial asset except for credit-impaired financial assets. Interest revenue for credit-impaired financial assets is calculated by applying the e effective interest rate to the amortised cost of the financial asset from initial recognition.

Dividend income

Dividend income from investments is recognized when the right to receive payment has been established.

2.14.Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

2.15.Income tax and deferred income tax

Income tax expenses comprise current income tax and deferred income tax.

Current income tax and deferred income tax are charged or credited to profit or loss, except when they relate to items included directly to other comprehensive income or equity, in which case the deferred income tax is also accounted for in other comprehensive income or equity.

Current year income tax is calculated in accordance with tax legislation that has been enacted or substantially enacted at the end of the reporting period in the countries in which the Company operate and earn taxable profit. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.
The standard income tax rate applied to companies in the Republic of Lithuania was 15% in 2023 and 2022. From 2010 in Lithuania tax losses may be transferred at no consideration or for an agreed consideration between the Company's subsidiaries, if the set terms are fulfilled.
Deferred tax assets are recognised only to the extent that is probable that future taxable profit will be available against which the temporary differences can be utilised.

Tax losses operating in Lithuania can be carried forward for indefinite period of time, except for losses arising from the disposal of securities and/or derivative financial instruments. In Lithuania such carrying forward of tax losses is discontinued if the Company ceases the activities that gave rise to these losses, except when the Company ceases the activities for reasons that are beyond its control. In Lithuania losses from disposal of securities and/or derivative financial instruments can be carried forward for 5 consecutive years and can only be used to reduce the taxable income earned from the transactions of the same nature. With effect from 1 January 2014, in Lithuania tax losses of the previous years can be used to reduce taxable profit of the current tax year by maximum 70%.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current year income tax assets against current year income tax liabilities, and when deferred income tax assets and liabilities relate to income taxes that are applied by the same fiscal authority on the same taxable entity or on different taxable entities, when there is intention to set off balances on a net basis.

2.16.Employee benefits

Social security contributions

The Company pays social security contributions to the social security fund (“the Fund”) on behalf of its employees based on the defined contribution plan in accordance with the local legal requirements. A defined contribution plan is a plan under which the Company pays fixed contributions into the Fund and will have no legal or other obligations to pay further contributions if the Fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior period. Social security contributions are recognised as expenses on an accrual basis and included in payroll expenses.

Bonus plans

The Company recognises a liability and an expense for bonuses based on a formula that takes into consideration budgeted financial (EBITDA, Revenue rate, NPS) and individual targets, where contractually obliged or where there is a current or past practice that has created a constructive obligation.

Termination benefits

Termination benefits are payable when employment is terminated by the Company or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

2.17.Fair value estimation

The different levels of methods used to measure the fair value of the financial instruments (which are carried at fair value in the statement of financial position) have been defined as follow:
In determining the fair value of assets and liabilities the Company uses as much as possible inputs that are observable in the market. A fair value hierarchy categorises into three levels the inputs to valuation techniques used to measure fair value:
- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2);
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The inputs used to measure the fair value of an asset or a liability might be categorised within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(All amounts are in the thousand of euros unless otherwise stated)

3. CRITICAL ACCOUNTING ESTIMATES

The preparation of the financial statements requires the Company management to exercise its judgement and use estimates that affect reported amounts of income and expenses, assets and liabilities, disclosure of contingent liabilities at the date of the preparation of the financial statements. Uncertainties relating to these assumptions and estimates may cause important adjustments to the carrying amounts of the related assets and liabilities in the next financial year.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Recoverable amount of Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment. Due to possible impairment indicators of investments in certain subsidiaries, the Company will perform impairment tests as at 31 December 2023. Each subsidiary is treated as a separate cash-generating unit for the purpose of impairment testing. The recoverable amount is determined based on value-in-use calculation. The investment's value in use is calculated by discounting future cash flows to their present value using a pre-tax discount rate reflecting actual market assumptions regarding the time value of money and the risks specific to the asset concerned.
Based on the impairment tests at 31 December 2022 it was concluded that there was impairment loss for the subsidiary Civinity Solutions SIA EUR 1.755 thousand.

4. FINANCIAL RISK MANAGEMENT

4.1.Financial risk factors

The Company's management is responsible for the development and monitoring of the Company's risk management system. The objective of the risk management policy at the Company is to incorporate risk management function in the Company's normal business operations and management. Risk management is the process involving the identification, assessment and control of business risks which can prevent or impede the achievement of the Company's business objectives.

The Company's risk management policy focuses on financial, operational and legal risks. Strategic risk management decisions are taken by the Board at the Company level. Operational risk management is conducted by executive officers of the company. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures to minimise operational and legal risks.

The Company's main financial liabilities comprise borrowings, trade payables and other payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company holds various financial assets: trade receivables, loans granted and other amounts receivable. The Company has not used any derivative financial instruments, because, in view of management, there is no such need.

The main risks arising from financial instruments are market risk (including cash flow and fair value interest rate risk, price risk), liquidity risk and credit risk. The risks are identified and described below.

Market risk
Cash flow and fair value interest rate risk. The Company is exposed to risk of changes in market interest rates mainly from assets and liabilities which are subject to variable interest rates.

As at 30 June 2023 and 31 December 2022 financial assets and liabilities exposing the Company to interest rate risk were as follow:

	At 30 June 2023	At 31 December 2022
Loans granted	3,253	3,589
Borrowings (variable interest rate)	6,655	6,548
Bonds (fixed interests rate)	8,024	7,958
Lease liabilities	587	718
Total	**12,014**	**11,634**

As at 30 June 2023 and 31 December 2022, there were no interest-free borrowings.

At 15 October 2021 the Company issued public bonds emission for the value of EUR 8.000 thousand and repaid the remaining previous hold bonds. The issue of new bonds emission was subscribed by the independent Company Legisperitus UAB. The nominal value of each bond is EUR 1 thousand, the bonds to be redeemed upon two years with semi-annual interest payment schedule and fixed rate calculated as margin of 5%. In 1st half year 2023 the Company made one semi-annual interests payments amounting EUR 200 thousand.

The table below presents the sensitivity analysis of the Company's profit before tax to reasonably possible changes in variable interest rates (EURIBOR) with all other variables held constant (by assessing impact on borrowings with a variable interest rate).
There is no impact on the Company's equity, except for impact on the current year profit.

	Increase / decrease, pp	Impact on profit before income tax 2023 1 HY	2022 1 HY
in EUR	1%	(20)	(18)
in EUR	-1%	20	18

Foreign exchange risk
The Company's financial assets and liabilities as at 30 June 2023 and as at 31 December 2022 are denominated in the euros, therefore the Company is not exposed to foreign exchange risk.

Liquidity risk
The Company's policy is to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of committed credit facilities to meet its commitments at a given date in accordance with its strategic plans.
The Company's objective is to maintain balance between the continuity and flexibility of funding using bank borrowings. Liquidity risk management consists of non-current and current liquidity risk management. The liquidity ratio, when current liabilities exceeds current assets is constant at the end of financial year as company significant part of their investing activities expenses "cover" with dividends payable from subsidiaries in following financial year.
The Company's liquidity ratio (total current assets / total current liabilities) was approximately equal to 0.17 as at 30 June 2023 (31 December 2022: 0.21). The Company is the parent company controlling the Civinity group cash flows and approving the cash distribution within the group. Current liquidity ratio is highly impacted by payable Bonds (8 million eur), which mature on 15 October, 2023. The company intends to refinance this bond emission with the new 8 million bond emission. As at 14 September, 2023 the Company has signed the agreement with AB Šiaulių bankas, which will be distributing the new bond emission.

The table below summarises the contractual maturity profile of financial liabilities:

At 30 June 2023

Non-derivative financial liabilities	Carrying amount	Total contractual cash flows	3 months or less	3-12 months	1-5 years	More than 5 years
Lease liabilities	587	691	62	199	429	-
Bonds	8,024	8,200	-	8,200	-	-
Borrowings from related parties	6,656	7,070	74	223	6,772	-
Trade payables	322	322	71	252	-	-
Total	**15,589**	**16,283**	**207**	**8,874**	**7,201**	**-**

(All amounts are in the thousand of euros unless otherwise stated)

At 31 December 2022

Non-derivative financial liabilities	Carrying amount	Total contractual cash flows	3 months or less	3-12 months	1-5 years	More than 5 years
Lease liabilities	718	841	62	187	591	-
Bonds	7,958	8,509	33	8,476	-	-
Borrowings from related parties	6,548	7,156	589	2,257	4,310	-
Trade payables	565	565	458	106	-	-
Total	**15,788**	**17,070**	**1,143**	**11,026**	**4,901**	**-**

Cash flows included in the maturity analysis are not expected to arise significantly earlier or be equal to a significantly different amount.

Credit risk

Credit risk arises from cash and cash equivalents, outstanding trade and other receivable and outstanding loans granted to related parties.
The Company's aging and expected credit loss calculation procedures are disclosed in Note 13.
Maximum exposure to credit risk is as follows:

	At 30 June 2023	At 31 December 2022
Trade and other receivables	1,642	1,691
Loans granted to related parties	3,252	3,589
Cash and cash equivalents	25	66
Total	**4,919**	**5,346**

SPV-31, UAB received loan from Luminor bank for Inservis group companies acquisition is guaranteed by its shareholders AB "Civinity" and Sail Invest UAB. AB "Civinity" secured amount is EUR 2.499 thousand. Security is valid until all obligations by SPV-31 UAB will be fully completed. Financial covenants are: SPV-31 UAB controlled entities consolidated DEBT/EBITDA ratio shall not be above 3.5, Equity to Assets ratio shall not be lower 0.3, DSCR ratio not lower then 1.2 and current liquidity shall be above 1.1. According to the credit agreement, as at 30 June 2023 following covenants were effective: a) Equity to Assets ratio equal to 0.37 (met), b) adjusted current liquidity ratio equal to 1.14 (met).

The credit quality of cash and cash equivalents can be assessed by reference to the external credit ratings of banks.

The ratings of the rating agencies:

Moody's	At 30 June 2023	At 31 December 2022
Aa3	23	64
Baa2	2	2
Total	**25**	**66**

Although economic circumstances may impact the recoverability of trade and other receivables, in view of management, the Company is not exposed to significant risk of incurring losses that would exceed already recognised amount of impairment (note 13).
Company's loans granted are to related parties (mostly to the subsidiaries and the shareholder) and the risk for the repayment failure is considered to be low. Therefore the expected credit loss is immaterial and is not recognized (see note 11).
Cash and cash equivalents include cash and cash balances in bank accounts, therefore credit risk arising from them is minimal.

Cyber security risks

The Company managing the data with customer data used for invoicing and internal financial information. Therefore the Company prepared control and security procedures, which are continuously reviewed internally and in cooperation with government institutions. To decrease further risks, enforce cyber security and prevent other vulnerabilities the Company hire external cyber security company, which has reviewed data security policies, risk management policies, executed penetration test on external and internal IT infrastructure of Civinity Company companies. Additionally, in scope of project was executed ISO27001:2017 conformity assessment. The Company is implementing the improvements suggested by the consultants.

4.2.Capital management

The primary objective of the Company's capital management is to ensure that the Company complies with externally imposed capital requirements, keeps respective capital ratios in order to strengthen its business and maximise return to shareholders, avoids damaging trust of investors, creditors and the market, and maintains business expansion in future.
The Company defines its capital as the authorised share capital and retained earnings. The Company manages its capital structure and makes the adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities.

The Company is obliged to keep its shareholders' equity ratio not less than 50% of its authorised share capital, as imposed by the Law on Companies of Republic of Lithuania. At the end of period of 30 June 2023 the ratio was -774% and did not meet the requirements because of the impaired investment in Civinity Solutions SIA.

The company is obliged to keep financials and business related consolidated covenants in accordance the term of EUR 8.000 thousand bonds emission issued at 15 October 2021. The group consolidated DEBT/EBITDA ratio shall not be above 4 (30 June 2023: ratio 1.47 and 31 December 2022: ratio 2.19) and Equity to Assets ratio shall not be lower 0.1. (30 June 2023: ratio 0.19 and 31 December 2022: ratio 0.17). The requirement of the covenant was maintained at the date of reporting period.
According the bond conditions AB "Civinity" also limits newly provided loans, guarantees and sureties to other entities, which are not direct or indirect Group companies up to EUR 500 thousand. On 30 June 2023 Civinity Group consolidated newly provided loans, guarantees and sureties to other entities, which are not direct or indirect Group companies not exceeded EUR 500 thousand per any subsidiary - the requirement of the covenant was maintained.
The Company shall not, and shall ensure that Group Companies shall, carry out any merger or any other business combination or corporate reorganization involving a consolidation of the assets and obligations of the Company or any other Group company with any other companies or entities, if such transaction is expected to lead to non-compliance with the Financial covenant mentioned above.

4.3.Fair value estimation

The following methods and assumptions are used to determine the fair value of each class of financial assets and liabilities:
- The carrying amount of current trade and other receivable, trade and other payables and borrowings approximates their fair value.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis. The Company also has long term bonds (Note 4.1 Liquidity risk).

Trade and other amounts receivable, borrowings and trade and other amounts payable are attributed to Level 3 of the fair value hierarchy, and cash and cash equivalents are attributed to Level 1. There are no financial assets or financial liabilities that would be attributed to Level 2 of the fair value hierarchy.

5. EMPLOYEE RELATED EXPENSES

Employee related expenses	2023 1HY	2022 1HY
Salaries	332	514
Social insurance expenses	6	8
Total employee related expenses	**338**	**521**

(All amounts are in the thousand of euros unless otherwise stated)

6. INCOME TAX

Income tax expenses and income, and the components of assets and liabilities:

Components of income tax (expenses) income	2023 1HY	2022 1HY
Current year income tax expenses	-	-
Deferred income tax change	-	-
Income tax (expenses) income recognised in profit or loss	**-**	**-**

There are no income tax expenses (income) recognised in other comprehensive income or directly in equity. Deferred income tax assets are recognised to the extent that is probable that these assets will be realised in future periods. Deferred income tax assets were calculated using a tax rate of 15 per cent.

Company is not recognizing deferred income tax assets due to the future uncertainty.

The movement in deferred income tax assets and liabilities of the Company during 6 months period ended 2023 is as follows:

	Balance at 30 June 2023	Balance at 31 December 2022
Deferred income tax assets		
Accruals	8	8
Taxable losses	32	278
Deferred income tax assets	**40**	**286**
Deferred income tax assets – net	**40**	**286**
Unrecognised deferred tax asset	**(40)**	**(286)**
Total deferred tax assets	**-**	**-**

The total amount of income tax expenses can be reconciled to the theoretical amount of income tax using the Company's income tax rates as follows:

	2023 1HY	2022 1HY
Profit (loss) before income tax	**4**	**3,166**
Income tax expenses calculated using a tax rate of 15%	1	475
Non taxable income	(42)	(555)
Non deductible expenses	2	24
Not recognized deferred tax assets	40	56
Income tax expenses recognised in the statement of comprehensive income	**-**	**-**

7. INTANGIBLE ASSETS

	Trademark	Computer software, licences	Other	Total
At 1 January 2021				
Cost or fair value	360	875	-	1,235
Accumulated depreciation	-	(444)	-	(444)
Net book amount	**360**	**431**	**-**	**791**
Year ended 31 December 2021				
Opening net book amount	360	431	-	791
Additions	-	98	36	134
Depreciation charge	(36)	(295)	(5)	(336)
Closing net book amount	324	234	31	589
At 31 December 2021				
Cost of fair value	360	973	36	1,369
Accumulated depreciation	(36)	(739)	(5)	(780)
Net book amount	**324**	**234**	**31**	**589**
Year ended 31 December 2022				
Opening net book amount	324	234	32	590
Additions	-	112	-	112
Depreciation charge	(36)	(163)	(12)	(211)
Closing net book amount	288	183	20	491
At 31 December 2022				
Cost of fair value	360	1,085	37	1,482
Accumulated depreciation	(72)	(902)	(17)	(991)
Net book amount	**288**	**183**	**20**	**491**
Period end 30 June 2023				
Opening net book amount	288	183	20	491
Depreciation charge	(18)	(56)	(6)	(80)
Closing net book amount	270	127	14	411
At 30 June 2023				
Cost of fair value	360	1,085	37	1,482
Accumulated depreciation	(90)	(958)	(23)	(1,071)
Net book amount	**270**	**127**	**14**	**411**

(All amounts are in the thousand of euros unless otherwise stated)

8. PROPERTY, PLANT AND EQUIPMENT

	Equipment	Prepayments	Total
At 1 January 2021			-
Cost or fair value	72	-	72
Accumulated depreciation	(30)	-	(30)
Net book amount	**42**	**-**	**42**
Year ended 31 December 2021			
Opening net book amount	42	-	42
Additions	-	262	262
Depreciation charge	(1)	-	(1)
Closing net book amount	41	262	303
At 31 December 2021			
Cost or fair value	72	262	334
Accumulated depreciation	(31)	-	(31)
Net book amount	**41**	**262**	**303**
Year ended 31 December 2022			
Opening net book amount	41	262	303
Additions	500	-	500
Transfer	(6)	(217)	(223)
Depreciation charge	(69)	-	(69)
Depreciation transfer	4		4
Closing net book amount	470	45	515
At 31 December 2022			-
Cost or fair value	571	45	616
Accumulated depreciation	(101)	-	(101)
Net book amount	**470**	**45**	**515**
Period ended 30 June 2023			
Opening net book amount	470	45	515
Additions	6	-	6
Transfer	(1)	-	(1)
Depreciation charge	(55)	-	(55)
Depreciation transfer	-	-	-
Closing net book amount	420	45	465
At 30 June 2023			-
Cost or fair value	576	45	621
Accumulated depreciation	(156)	-	(156)
Net book amount	**420**	**45**	**465**

Company's property, plant and equipment with the acquisition cost of EUR 8 thousand as at 30 June 2023 (31 December 2022: EUR 9 thousand) were fully depreciated but still in use.

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The balance sheet shows the following amounts relating to leases:

Right-of-use assets	At 30 June 2023	At 31 December 2022
Buildings	32	46
Vehicles	126	140
	158	**186**

Lease receivables	At 30 June 2023	At 31 December 2022
Current	156	172
Non-current	273	360
	429	**532**

Lease liabilities	At 30 June 2023	At 31 December 2022
Current	223	209
Non-current	364	509
	587	**718**

Additions to the right-of-use assets till the 30 June 2023 financial year were EUR 614 thousand (in year 2021 it was 58 thousand).

Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:	2023 1 HY	2022 1 HY
Depreciation charge of right-of-use assets		
Buildings	15	7
Vehicles	27	17
	42	**24**
Interest expense (included in finance cost)	5	1
	5	**1**

The total cash outflow for leases as of 30 June 2023 was EUR 47 thousands (in 2022 1 HY was EUR 15 thousands).

(All amounts are in the thousand of euros unless otherwise stated)

10. INVESTMENT IN SUBSIDIARIES

Movement of the investments into subsidiaries and associate during the respective year is provided below:

	At 30 June 2023	At 31 December 2022
At the beginning of the period	8,801	7,309
Purchase of interest in subsidiaries	543	-
Impairment of investments	-	(1,755)
Share capital increase of subsidiaries	-	3,535
Sale of subsidiaries shares	(61)	(291)
Subsidiaries established	-	3
	9,283	8,801

In January 2023 AB "Civinity" finalized the procedures of the acquisition of Valandinis UAB majority stake of shares (51%) from UAB "Partly". Transaction value amounts to EUR 543 thousand.

In February 2022 AB "Civinity" capitalised the loan of Civinity Namai Vilnius UAB amounted to EUR 204 thousand into the increased authorised capital of Civinity Namai Vilnius UAB.

On 16 December 2021 AB "Civinity" and Sail Invest UAB signed the SPV 31 UAB shareholders agreement which states increase of share capital in SPV 31 UAB. On 1 March 2022 the authorized capital of the SPV31 UAB was increased to EUR 6.533 thousand on 18 March 2022. AB "Civinity" acquired SPV-31 new emission shares for EUR 3.331 thousand. Also Civinity AB sold its investments into subsidiaries Civinity Namai UAB, Civinity Namai Vilnius UAB and Pastatų meistrai UAB (building maintenance and services, construction activities in Vilnius region) shares to SPV31 UAB for total amount EUR 3.331 thousand. Civinity AB payables for the new emission shares of SPV-31 and the receivables for the sold subsidiaries were offset as non-cash transaction. As of 1 March 2022, SPV31 UAB becomes the sole shareholder of the Civinity Namai UAB, Civinity Namai Vilnius UAB, Servico UAB and Pastatų meistrai UAB (building maintenance and construction activities Vilnius) companies.

At 30 June 2023 no impairment tests for the costs of the investments in subsidiaries was performed. Impairment tests on the investments into subsidiaries will be run at the 31 December 2023.

Based on the impairment test at 31 December 2022, impairment loss for investment in subsidiary Civinity Solutions SIA for the full amount of EUR 1.755 thousand were recognised in 2022.

The list of the Company's direct holdings into subsidiaries and associates are provided below:

Name of subsidiary	At 30 June 2023	At 31 December 2022
UAB Civinity namai Kaunas	249	249
UAB Valandinis	542	-
UAB Civinity namai Vakarai	253	253
UAB Debreceno NT	46	46
UAB Civinity renovacija	3	3
UAB Civinity namai Palanga	810	810
UAB Smart technologies	3	3
UAB Civinity MD	3	3
UAB Civinity LT	3	3
UAB City Billing Solutions	3	3
SIA Pilsetas Lifti	-	61
SIA Civinity Engineering (previously named SIA CS Apkope)	703	703
SIA Civinity solutions	1,755	1,755
SIA Civinity LV	3	3
SIA City billing solutions	1	1
AS Civinity majas	2,540	2,540
UAB SPV 32	1	1
UAB SPV 31	3,332	3,332
UAB Civinity namai Klaipėda	787	787
UAB Civinity meistrai	3	3
UAB Civinity namai	1	1
Impairment in subsidiaries	(1,755)	(1,755)
Total	9,283	8,801

Profit on disposal of subsidiaries for the 6 months period ended 30 June 2023 and in year 2022:

At 26 January 2023 AB "Civinity" s sold its investments in Pilsetas Lifti SIA . Pilsetas Lifti SIA sales consideration amounts to EUR 137 thousand and profit from the sale of the subsidiary amounts to EUR 76 thousand.

At 1 March 2022 Civinity AB sold its investments in UAB Pastatų meistrai, UAB Civinity Namai Vilnius, UAB Civinity Namai to UAB SPV-31 for EUR 3.331 thousand and write off EUR 291 thousand investment value in these subsidiaries.

	At 30 June 2023	At 31 December 2022
Sale proceeds EUR from the subsidiaries	137	3,331
Investment costs EUR of the subsidiaries	(61)	(291)
	76	3,040

11. LOANS GRANTED TO RELATED PARTIES

Debtor	Repayment date	Weighted average interests * 30 June 2023	Weighted average interests * 31 December 2022	At 30 June 2023	At 31 December 2022
Parent	2024.12.31	5%	5%	1,246	1,078
Subsidiaries	2023.12.31 /2025.12.31	5%	5%	1,955	2,458
Other related parties	2024.12.31	5%	5%	51	53
Total				3,252	3,589
Expected credit loss (note 4.1.)				-	-
Total loans granted				3,252	3,589
Noncurrent				2,991	2,892
Current				261	697
Total loans granted				3,252	3,589

(All amounts are in the thousand of euros unless otherwise stated)

The fair value of loans receivable approximates their carrying amount. The interest rates of loans are reviewed at the end of each financial year and are adjusted in line with actual interest rate applicable for the company from financial institutions. Thus majority of the loans are with 5% interest rate and met rates for October 2021, AB "Civinity" bonds emission. The 68% from granted loans are issued to group companies (subsidiaries) to finance their core activities and development projects. Significant part of loans are issued to parent company NORD FIN ASSETS SIA and will be settled with dividends in the future.
Loans granted are issued with a fixed margin + 6 month EURIBOR.
Loans granted movement:

	At 30 June 2023	At 31 December 2022
Beginning of the year		
Proceeds from loans granted	3,589	3,570
Interest charged	121	197
Interests received as monetary transaction	(8)	
Loan offset by subsidiary share capital increase	-	(194)
Loans repayment as non-monetary transaction	(542)	-
Loans repayment as monetary transaction	(448)	(1,004)
Loans granted as monetary transaction	540	1,020
End of the year	**3,252**	**3,589**

12. FINANCIAL INSTRUMENTS BY CATEGORY

	At 30 June 2023	At 31 December 2022
Financial assets at amortised cost		
Loans granted to related parties	3,252	3,589
Trade and other receivables	1,054	1,653
Cash and cash equivalents	25	66
Total	**4,332**	**5,309**

Financial liabilities at amortised cost	At 30 June 2023	At 31 December 2022
Borrowings	14,680	14,505
Lease liabilities	587	718
Trade and other payables	322	565
Total	**15,589**	**15,788**

13. TRADE AND OTHER RECEIVABLES

	At 30 June 2023	At 31 December 2022
Trade receivables from related parties	488	994
Trade receivables, net	**488**	**994**
Lease receivables from related parties, gross	429	532
Prepayments	105	37
Other receivables from related parties	484	0
Other receivables	137	128
Total	**1,642**	**1,691**
Non current	273	428
Current	**1,369**	**1,262**

Expected credit loss

The Company applies the simplified, individual approach for calculation of lifetime expected credit losses using the provision matrix for 3rd parties trade receivables. Company receivables from the 3rd parties are insignificant, and expected loss is not calculated for the receivables from the 3rd parties.
Company estimates trade receivables from the related parties as minor risk receivables, because more then 90% of issued invoices for the services rendered are covered at the date these financial statements are signed.
Company's management considers that loss allowance provision is immaterial and therefore is not recognized.
Lease receivables are also from related parties therefore the risk is considered to be low and possible credit loss is treated as immaterial.
Other receivables are immaterial, therefor the loss allowances are not calculated.

Trade receivables from related parties

	Not past due and past due up to 30 days	31-60 days past due	61-90 days past due	91-120 days past due	121-180 days past due	180-360 days past due	More than 361 days	Total
30 June 2023	200	24	35	21	17	20	171	**488**
31 December 2022	238	83	64	1	2	544	61	**994**

Expected changes in macroeconomic situation is incorporated as part of the internal rating model. The Company's management reviews key macroeconomic indicators for the markets where Company's debtors are operating and determines if there are expected significant changes that would affect ECL.

14. CASH AND CASH EQUIVALENTS

	At 30 June 2023	At 31 December 2022	At 30 June 2022
Cash at bank	25	66	13
Cash and cash equivalents	25	66	13

The Company cash and cash equivalents, are not pledged.

(All amounts are in the thousand of euros unless otherwise stated)

15. SHARE CAPITAL AND LEGAL RESERVE

Share capital

As at 30 June 2023 and 31 December 2022, the Company's authorised share capital consisted of 100 ordinary registered shares with par value of EUR 1.000 each. All shares are fully paid-up.

The Company's Articles of Association do not provide for any restrictions of shareholders' rights to shares or any derivative control rights. The Company has not issued any convertible securities, exchangeable securities or guarantee securities. As at 30 June 2023 and 31 December 2022, there were no unfulfilled acquisition rights or commitments to increase authorised share capital.

Legal reserve

A legal reserve is a compulsory reserve under the Lithuanian legislation. Annual transfers of 5 percent of net profit are required until the reserve reaches 10 percent of the authorised share capital.

16. BORROWINGS

	At 30 June 2023	At 31 December 2022
Non-current		
Borrowings from the related parties	5,950	5,961
	5,950	5,961
Current		
Bonds	8,024	7,958
Borrowings from the related parties	706	587
	8,730	8,544
Total	14,680	14,505

Borrowings movement:

	At 30 June 2023	At 31 December 2022
Bonds at the beginning of the year	7,958	7,827
Capitalization of the bonds	67	131
Interest charged	200	400
Interest repaid	(199)	(400)
Bonds at the end of the year	8,024	7,958
Borrowings from the related parties at the beginning of the year	6,548	5,540
Proceeds from borrowings as monetary transaction	387	3,762
Borrowings repaid as monetary transaction	(507)	(2,978)
Interest charged	228	320
Interests repaid as monetary transaction	-	(96)
Borrowings from the related parties at the end of the year	6,656	6,548
Total borrowing at the end of the year	14,680	14,505

The contractual maturity of borrowings:

	At 30 June 2023		At 31 December 2022	
	Fixed interest rate	Variable interest rate	Fixed interest rate	Variable interest rate
Within one year	8,024	706	7,958	586
One to five years	-	5,950	-	5,961
	8,024	6,656	7,958	6,547

17. TRADE AND OTHER PAYABLES

	At 30 June 2023	At 31 December 2022
Trade payables to related parties	-	9
Trade payables to 3rd parties	322	556
Prepayments received	194	-
Employees related benefits	85	101
Payable VAT	12	-
Accrued expenses	71	157
Other taxes related payables	59	71
Total	743	893
Non-current liabilities	30	44
Current other liabilities	713	849

18. RELATED-PARTIES TRANSACTIONS

The parties are deemed to be related when one party has a power to exercise control over the other party or make significant influence on its financial and operation decisions.

During 6 month period 2023 and during 2022 year, the Company's related parties are as follows:

- Ultimate Parent and Parent entity - Nord Fin Assets, SIA (registration number 44103136863, Latvia);
- Company's subsidiaries

Other related parties:

- Management, Board members (note 1) and companies related to the Management;

(All amounts are in the thousand of euros unless otherwise stated)

Remuneration of the key Company's management

Payments made to the Company's Directors and Board members and executive personnel:

	2023 1HY	2022 1HY
Wages and salaries, bonuses	81	229
Expenses of social security contributions	1	4
Car rent expenses	6	4
Total remuneration of key management personnel	88	237

No loans, guarantees or any other amounts were paid or calculated to the Company's management and no assets were transferred. Company was leasing vehicle to the Chief Executives Officer for the total amount of EUR 2 thousand for the period ended 30 June 2023 (the amount for the half year 2022 was EUR 17 thousand).

Other transactions with related parties

Presented below are the transactions with related parties reported in the Company's statement of comprehensive income and the statement of financial position:

	2023 1HY	2022 1HY
Sale of services		
Subsidiaries	661	857
	661	857

	2023 1HY	2022 1HY
Other income		
Dividends from Subsidiaries	281	660
Revenues from the subsidiaries sale	-	-
Interests income	121	74
	402	734

	2023 1HY	2022 1HY
Purchases of goods and services		
Subsidiaries	-	37
	-	37

Trade and other receivable	At 30 June 2023	At 31 December 2022
Board members	20	12
Parent company	144	42
Subsidiaries	1,237	940
	1,401	994

Trade and other payables

	At 30 June 2023	At 31 December 2022
Subsidiaries	0	9
	0	9

Loans granted and interest receivable from related parties

	At 30 June 2023	At 31 December 2022
Parent company	1,246	1,078
Subsidiaries	1,955	2,458
Other related parties	51	53
	3,252	3,589

Borrowings and interest payables to related parties

	At 30 June 2023	At 31 December 2022
Parent company	-	-
Subsidiaries	6,656	6,548
	6,656	6,548

Guarantees given in relation with the related parties	At 30 June 2023	At 31 December 2021
Subsidiaries (SPV-31, UAB, loan from Luminor bank)	2,499	2,499
	2,499	2,499

19. EVENTS AFTER THE REPORTING PERIOD

In September, 2023 Companys' management has decided to issue new public bond emission in amount 8.000 thousand EUR, which will be used to refinance the previous bond emission expiring on 15 October, 2023.
On 14 September 2023 the Company has signed the agreement with AB Šiaulių bankas for distribution of this new bond emission.